



# The Real Estate ANALYST

JULY 27  
1938

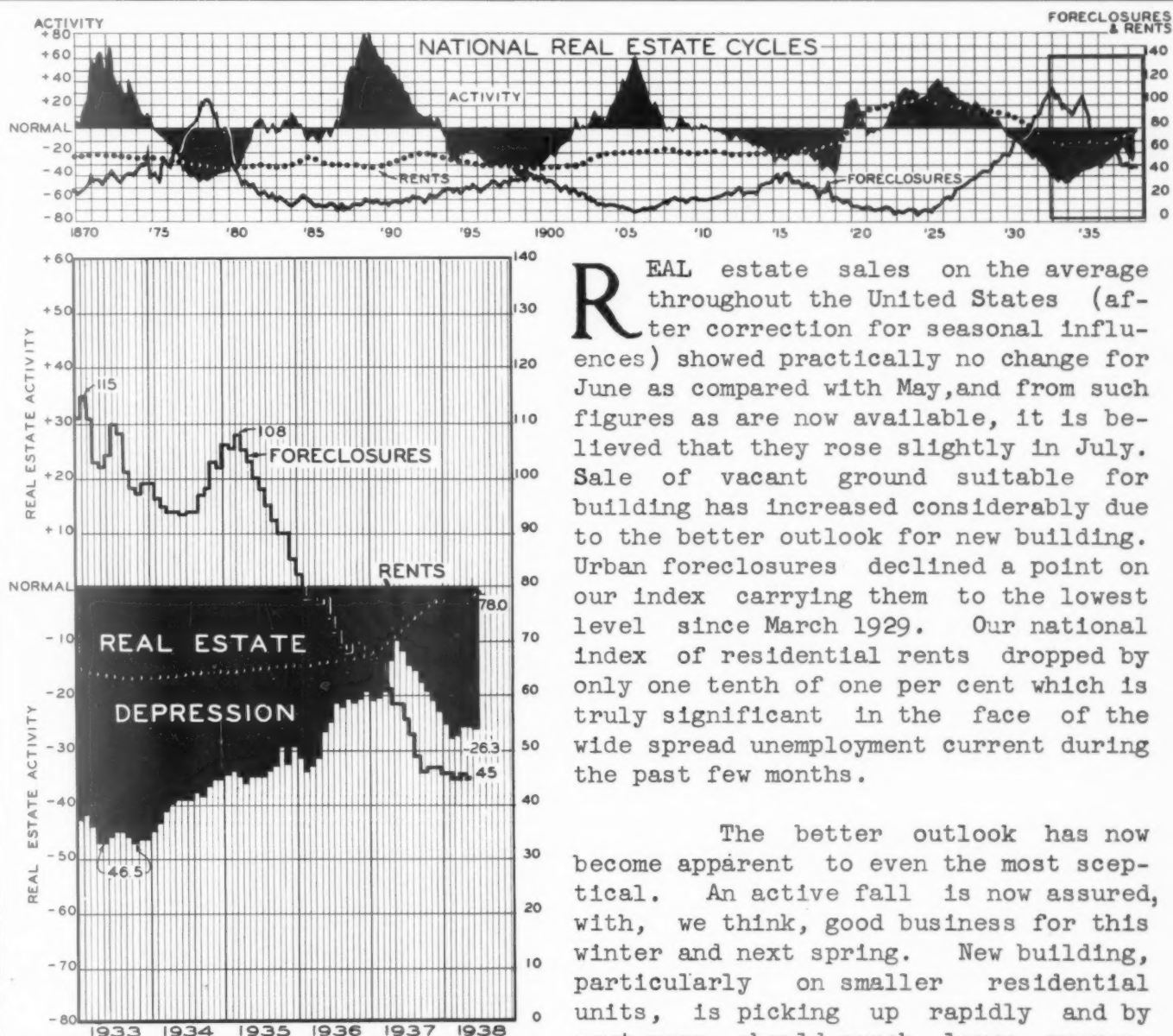
Roy Wenzlick  
Editor

A concise easily digested monthly analysis based upon scientific research in real estate fundamentals and trends...Constantly measuring and reporting the basic economic factors responsible for changes in trends and values...Current Studies...Surveys...Forecasts

Copyright 1938 by REAL ESTATE ANALYSTS, Inc. - Saint Louis

Real Estate Economists, Appraisers and Counselors

VOLUME VII



## EXPLANATION OF THE CHARTS

The charts above show booms and depressions in real estate from 1870 to the present. The large black areas above the line represent the real estate booms and the black areas below the line represent the real estate depressions.

The level of residential rents, indicated by the dotted red line, is charted, not as a percentage above or below a normal line, but as an index (1926=100) from the bottom of the chart and is read on the right hand scale, as is the index of the number of foreclosures per month per 100,000 families, shown by the solid red line. The lower chart is the last six years of the upper chart enlarged to show monthly fluctuations.

**R**EAL estate sales on the average throughout the United States (after correction for seasonal influences) showed practically no change for June as compared with May, and from such figures as are now available, it is believed that they rose slightly in July. Sale of vacant ground suitable for building has increased considerably due to the better outlook for new building. Urban foreclosures declined a point on our index carrying them to the lowest level since March 1929. Our national index of residential rents dropped by only one tenth of one per cent which is truly significant in the face of the wide spread unemployment current during the past few months.

The better outlook has now become apparent to even the most sceptical. An active fall is now assured, with, we think, good business for this winter and next spring. New building, particularly on smaller residential units, is picking up rapidly and by next year should reach large proportions.

The greatest deterrent to a complete recovery in the immediate future is the large government debt which is still increasing. In so far as this is inflationary, however, it encourages investment in real estate.

## EXPLANATION OF CHARTS ON PAGES 1008 TO 1011

○ N the center spread of this report we have shown eight charts which we think show quite graphically the present position of real estate and construction in relation to the past with some rather definite implications regarding the future. For convenience in explanation, each of these charts is numbered.

Chart 1, extending from 1795 to the present, shows the relationship of general business and real estate activity over the entire period. It is used in this series to furnish general perspective on the real estate and construction problems. The red figures on this chart show the number of years between the peaks of the real estate booms. The length and regularity of these real estate cycles is quite remarkable. The red line from 1870 on, shows the foreclosure rate.

Chart 2 shows the same real estate cycles from 1913 to the present on a much larger scale. It also shows urban foreclosures per month per 100,000 families and the number of new mortgages recorded each month. It will be noticed that fluctuations in the number of new mortgages recorded follows roughly the real estate cycle, while the foreclosure line is the reverse of the real estate cycle, being high when real estate activity is low, and low when real estate activity is high. It will also be noticed that real estate activity has shown some improvement since last February.

Chart 3 shows a comparison of residential rents, residential construction costs, and the number of new family accommodations provided for by all new building permits. Clearly, the relationship of residential rents and values to residential building costs has a very definite effect on the volume of building. Values follow the rent line, but drop deeper during depressions because of the excessive vacancy and the fact that maintenance costs do not drop by so large a percentage during a depression. This reduces the net return on properties by a greater percentage than the drop in rents, and values depend upon the net return.

Chart 4 shows the local public debt per family in all cities having more than 100,000 population. The lower line on this chart shows the average real estate tax per family in the same cities. It will be noticed that debt has been holding constant, while the trend of real estate taxes has shown a greater tendency to fluctuate.

Chart 5 shows the fluctuation in office building vacancy as far back as the figures are available in comparison with the figures for residential vacancy generally and vacancy in single family dwellings. It will be noticed that all types of vacancy have been declining since the bank collapse. While office building vacancy is still too high to offer much support to higher rents, residential vacancy has passed the critical level and is now exerting a strong upward pressure on residential rent levels. The economic distress of the past nine months has counteracted this pressure to some extent, but with increasing industrial activity rents will again resume their strong upward trend.

Chart 6 shows the fluctuations in farm values per acre for the United States, and farm foreclosures each month per 25,000 families. It will be noticed that the farm foreclosure curve reaches 78 per month per 25,000 families, or were we to put it on the same basis as urban foreclosures in Chart 2, this chart would have to be three times as high, as farm foreclosures would go to 312 per month per 100,000 farm families while urban foreclosures in the highest year average only 105 per month per 100,000 urban families. In other words, in relation to the number of families, farm foreclosures have been approximately three times as severe as city foreclosures. This is reflected by the fact that farm values at the present time are only 85% of pre-war, while urban values, in spite of the depression are considerably above pre-war levels.

Chart 7 shows the Dow-Jones averages for common stocks, industrials, rails and utilities. The relationship of the great bull market of 1929, the recovery movement from 1932 to 1937, and the collapse and recent recovery can all be studied as they have affected real estate and construction. From March 31 to July 25, the value of all listed stocks on the New York Stock Market had regained \$14,630,000,000 of the amount they lost during the recent drop.

Chart 8 shows the fluctuations in industrial production in the United States as charted by Colonel Ayres of the Cleveland Trust Company.

The general advantage of printing these eight charts in this fashion is that by folding the page it is possible to compare any two charts directly. For instance, the stock market can be compared with the fluctuations in the real estate cycle, with the foreclosure rate, with farm values, with farm foreclosures, with vacancy or with any other factors shown on the chart. The similarities and dissimilarities in the behaviour of the various factors can be studied in an effort to determine their importance from the real estate and construction angle.

All of the forecasts made by Real Estate Analysts, Inc., have been made after a very careful comparative study of these and other factors which affect real estate. To us, these charts would seem to indicate that real estate will shortly emerge from the troubles of the past nine years culminating in an irrational boom which will lay the foundations for real estate difficulties in the late forties and early fifties.

## OFFICE BUILDING VACANCY

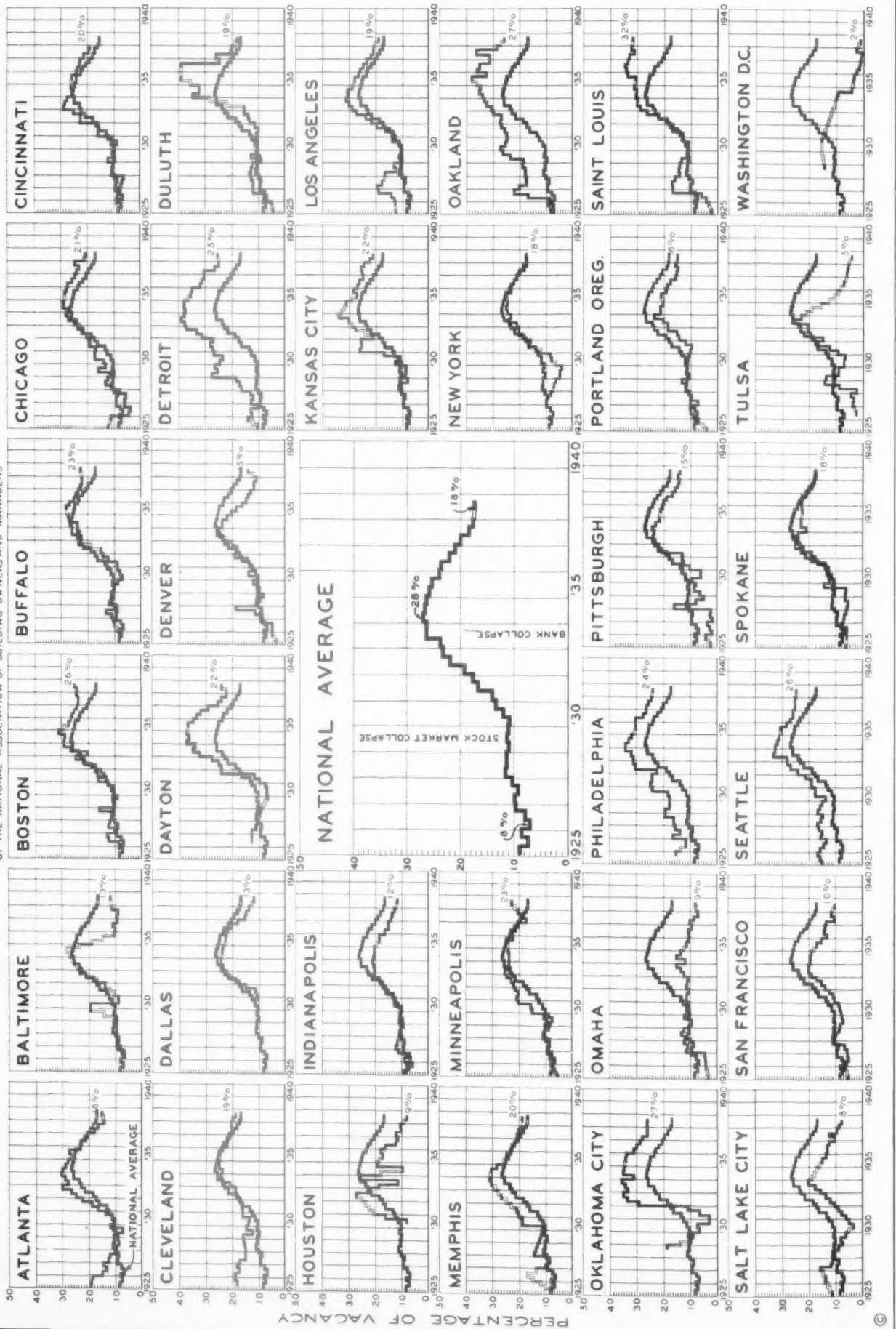
THE charts on the following page show the percentage of office building vacancy in the principal cities of the United States, from 1925 to the present. The national average is shown by the red line on the large chart, and it is also superimposed on the chart for each city, so that a quick comparison is possible of any particular city with the national average.

It will be noticed that office building vacancy passed the peak some years ago, but that in most cities it is still too high to make practical the building of additional office space in any quantity.



# OFFICE BUILDING VACANCY IN PRINCIPAL CITIES

CHARTED BY REAL ESTATE ANALYSTS, INC., SAINT LOUIS, FROM DATA FURNISHED BY THE NATIONAL ASSOCIATION OF BUILDING OWNERS AND MANAGERS

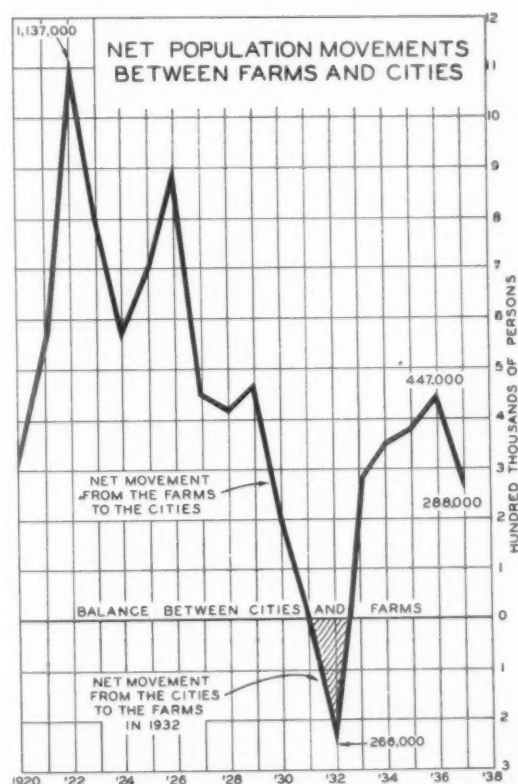


## IS THE BACK TO THE FARM MOVEMENT CONTINUING ?

**T**HE Census Bureau has issued a press release headed "Back to the Farm Movement Continues". It started: "The back-to-the-farm movement continues undiminished according to indications of a special 1938 survey just released". Newspapers throughout the country have commented on it at length, and we have received numerous inquiries from our subscribers regarding it.

As it has been used, it is quite misleading. Last year, according to the Department of Agriculture, a department which would be interested in showing a back to the farm movement, if such were the case, 288,000 more persons left the farms for the city, than left the cities for the farms. The Census Department release was quite accurate in its statement as it covered only the movement to the farms, and in every year as far back as records go there has been a large number of persons who have left the cities to return to the farms. In 1922, the same statement could have been made, as in that year 1,115,000 persons left the cities for the farms; however, in the same year 2,252,000 persons left the farms for the city, leaving a net movement to the city of 1,137,000.

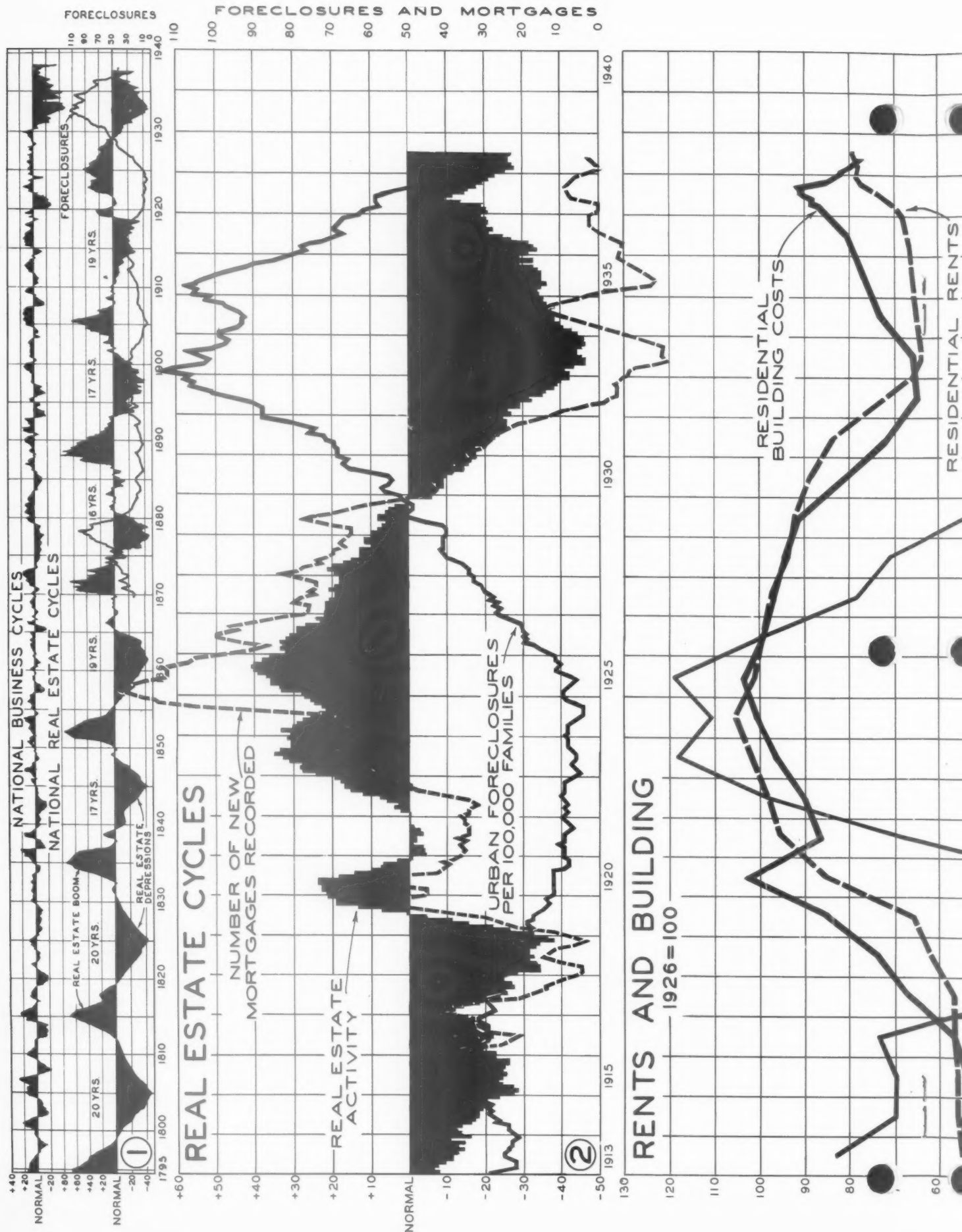
On the chart below, this movement between cities and farms is shown, but the figures charted represent the net movement each year. The Administration in Washington officially announced a back to the farm movement in 1933. It is probably the irony of fate that the only year in which the net movement was back to the farm, was the year before the back to the farm movement was officially started.



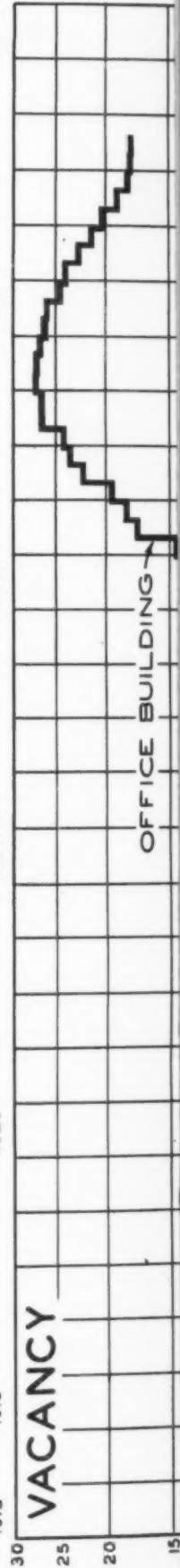
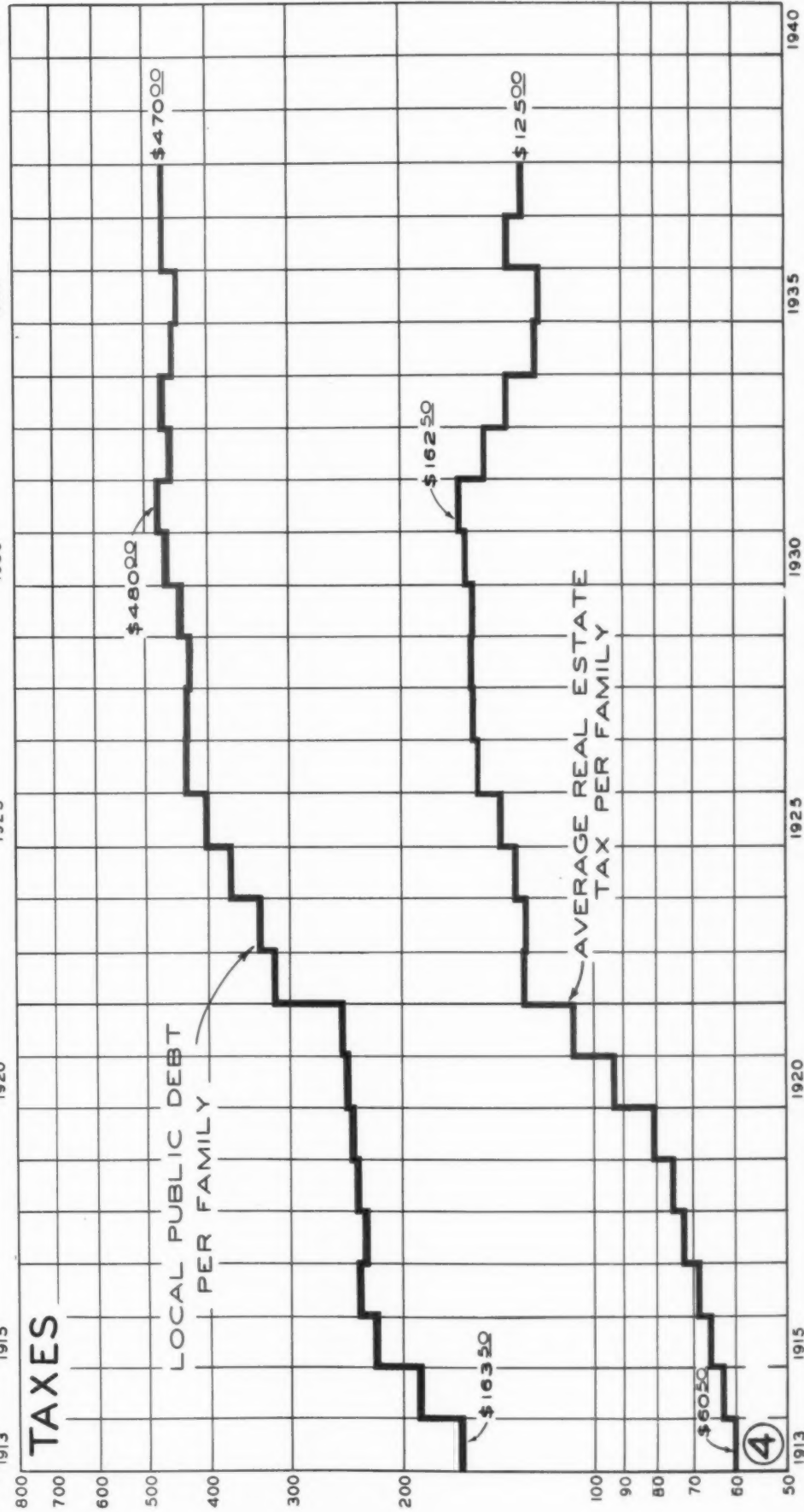
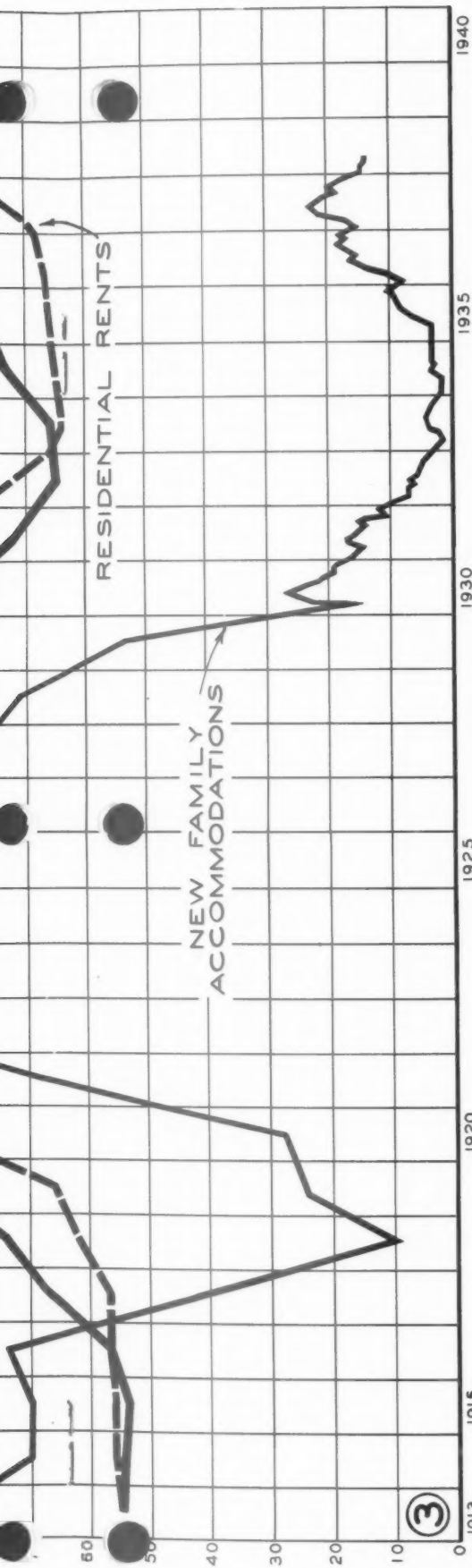
It is true that in 1937 the net movement to the cities was not so strong as it was in the two preceding years. This was due, of course, to the economic distress in the cities during the recent months. As cities regain their prosperity the net movement to the cities from the farms will be larger each year. While the Census release was correct, it would also have been correct to have said: "The movement from the farms to the cities has continued in spite of the depression". This sort of statement could not have been misinterpreted as was the statement contained in the release from the Bureau of the Census.

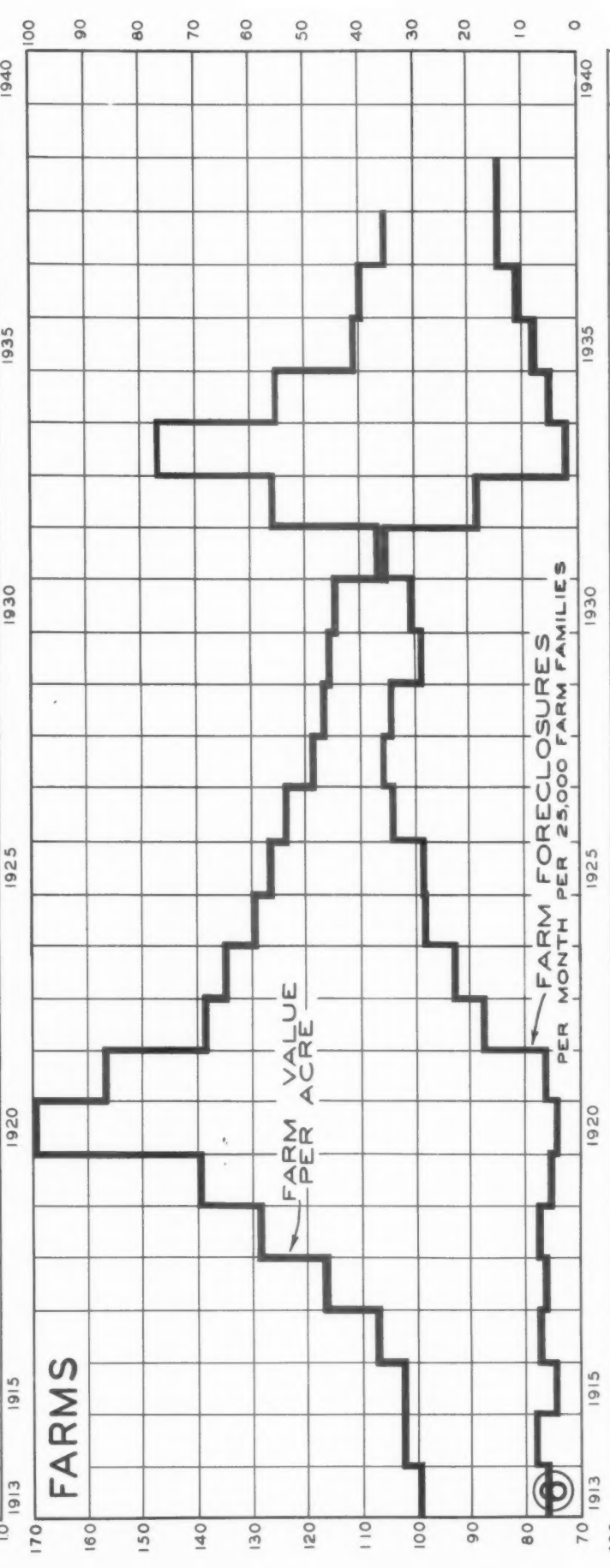
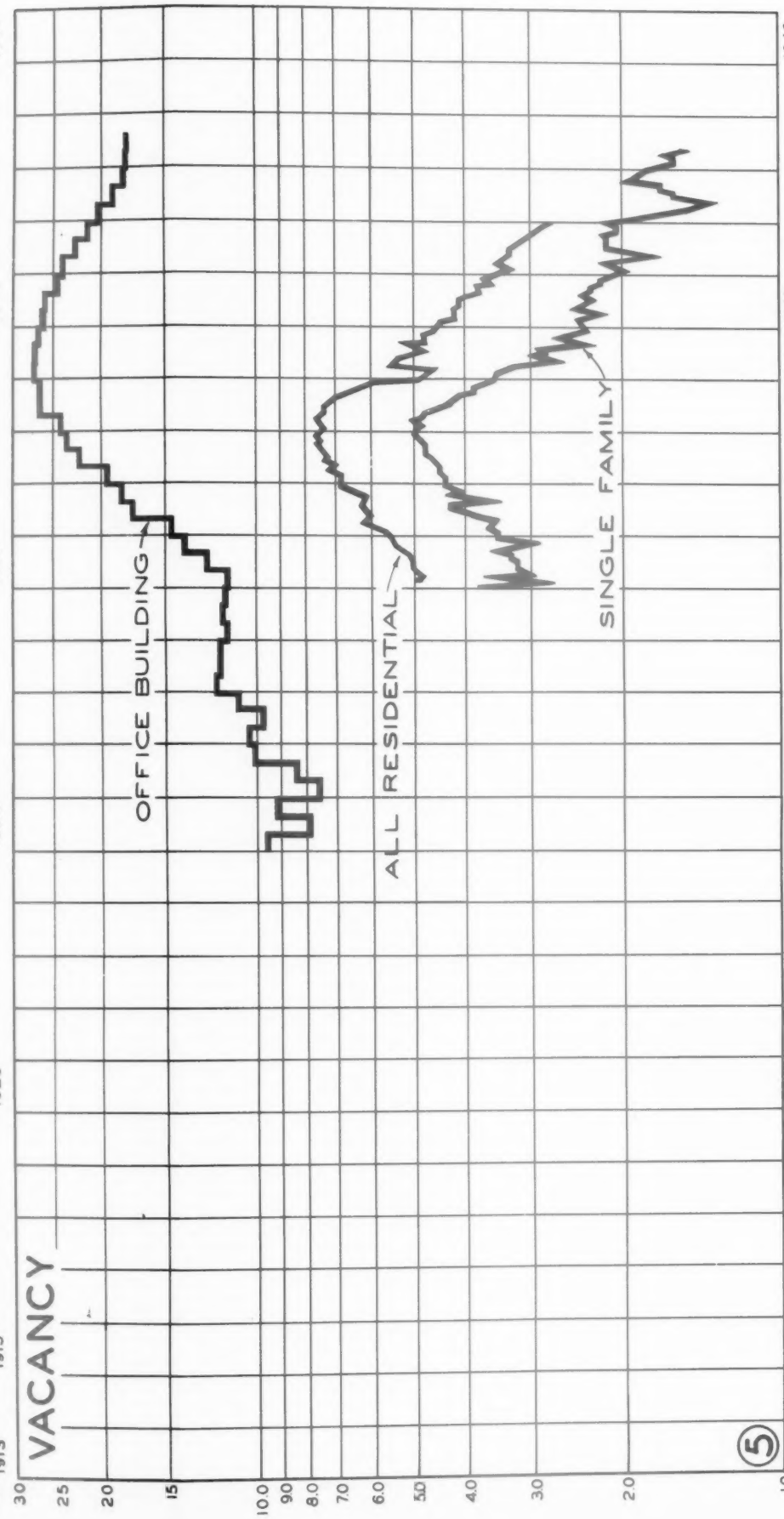
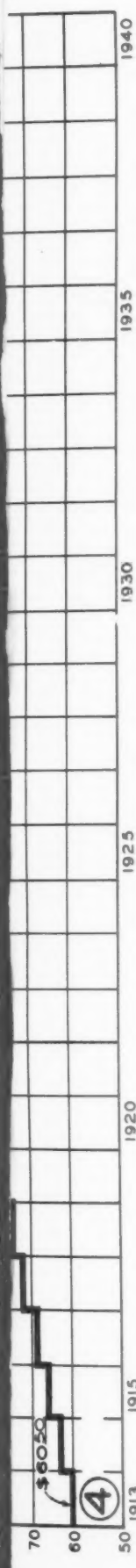
This movement from the farms to the cities is as old as the United States itself. Each succeeding census has shown a smaller percentage of population employed on farms and a larger percentage employed in cities.

# REAL ESTATE AND CONSTRUCTION









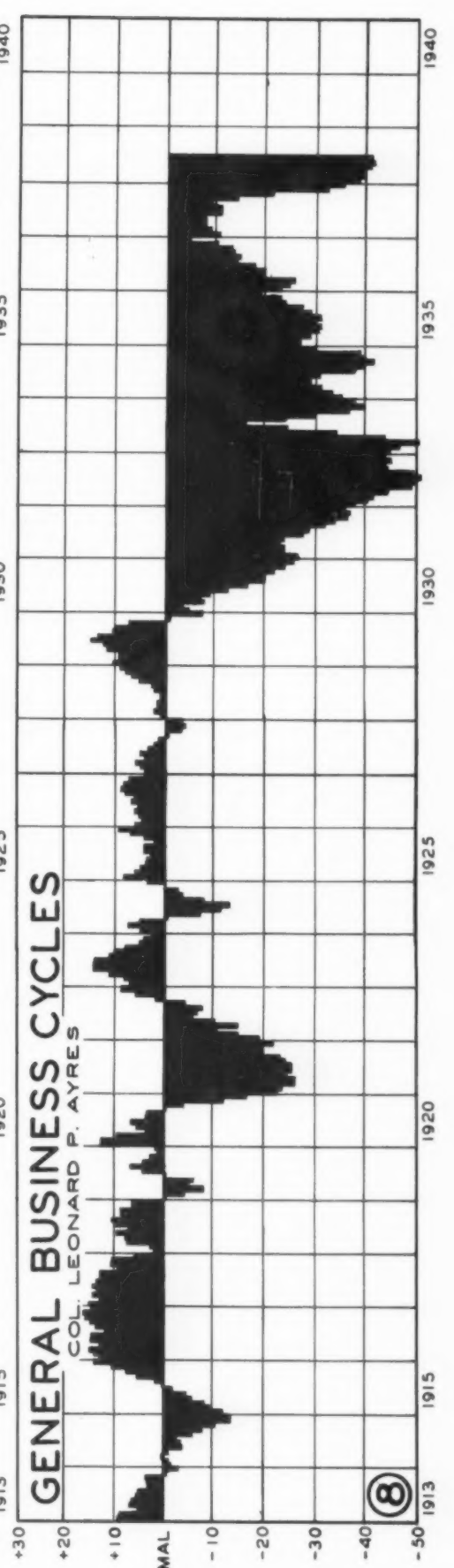
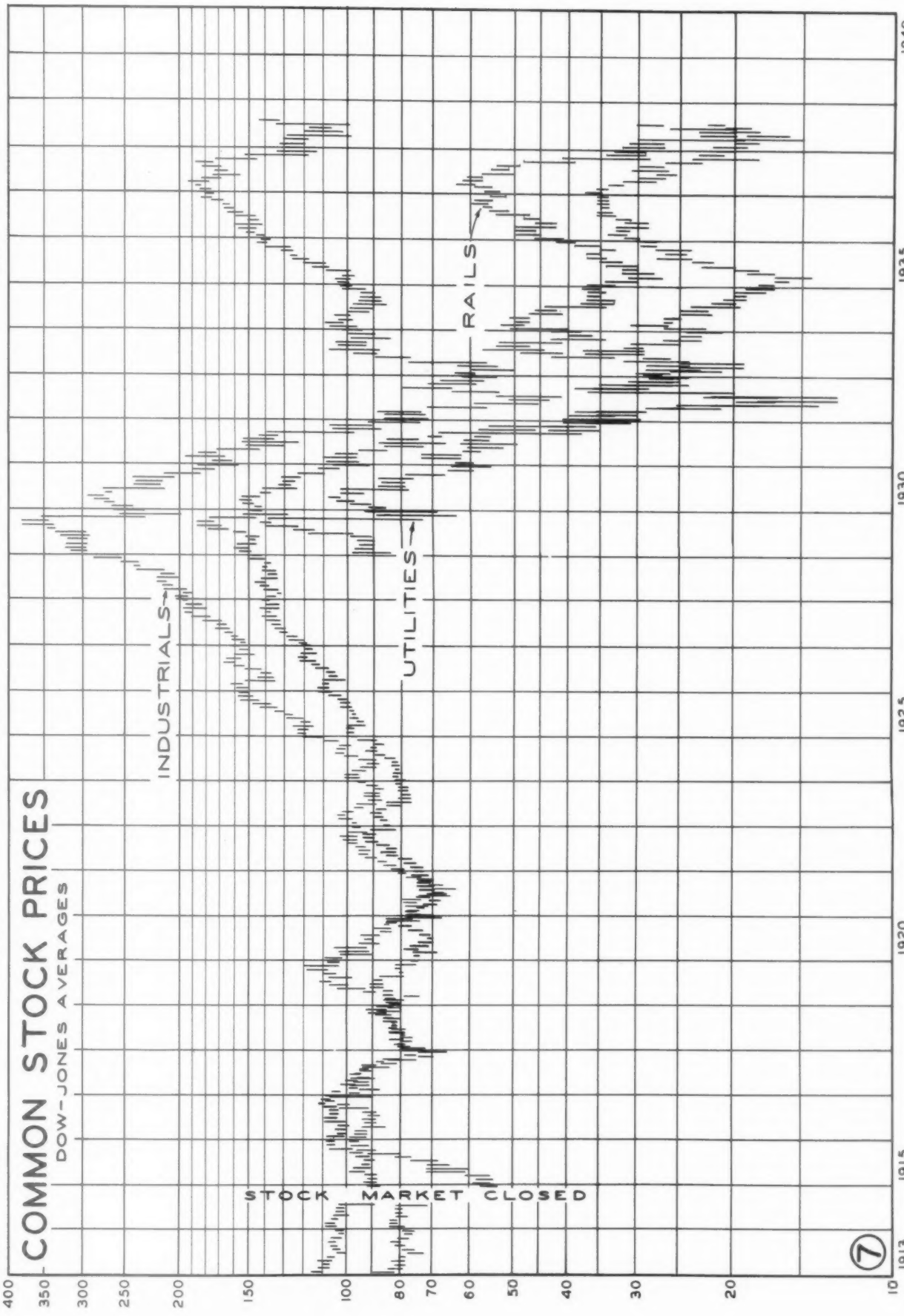
COMMON STOCK PRICES

DOW-JONES AVERAGES

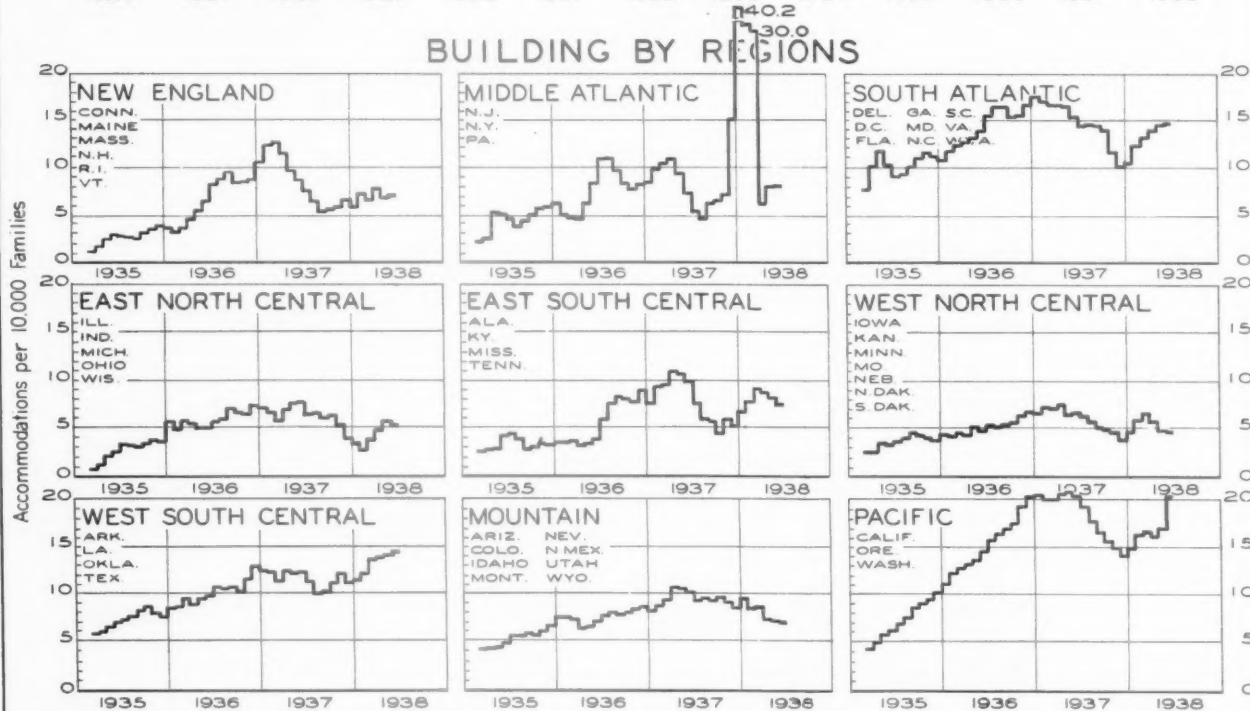
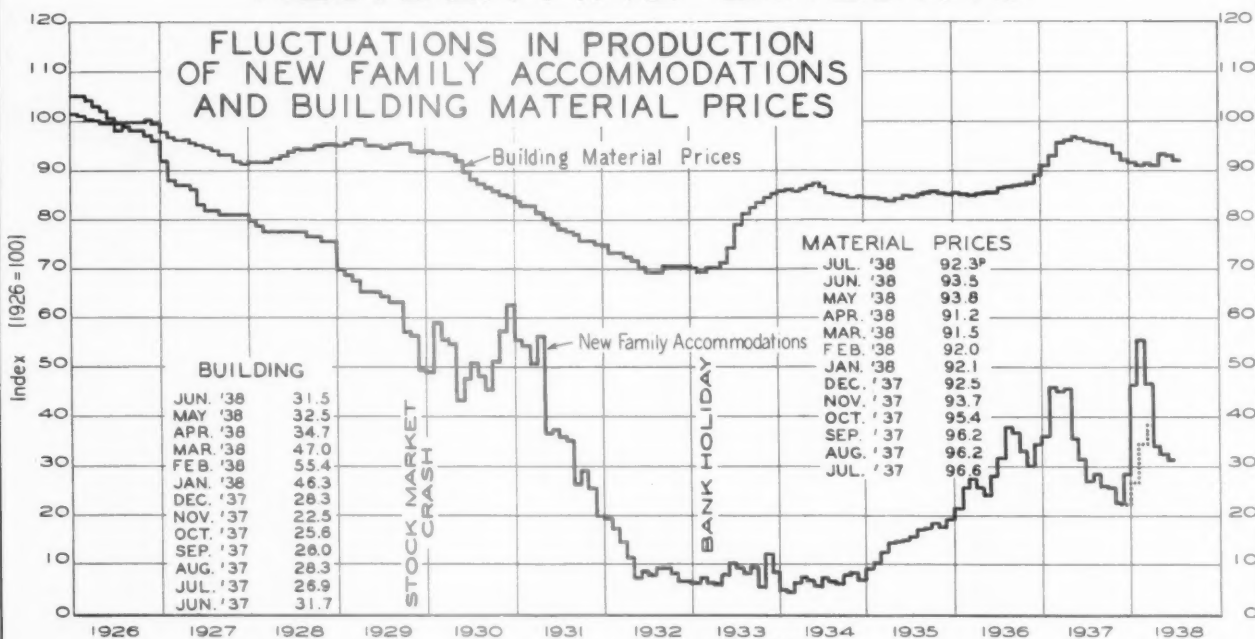


PER MONTH PER 25,000 FARM FAMILIES

0



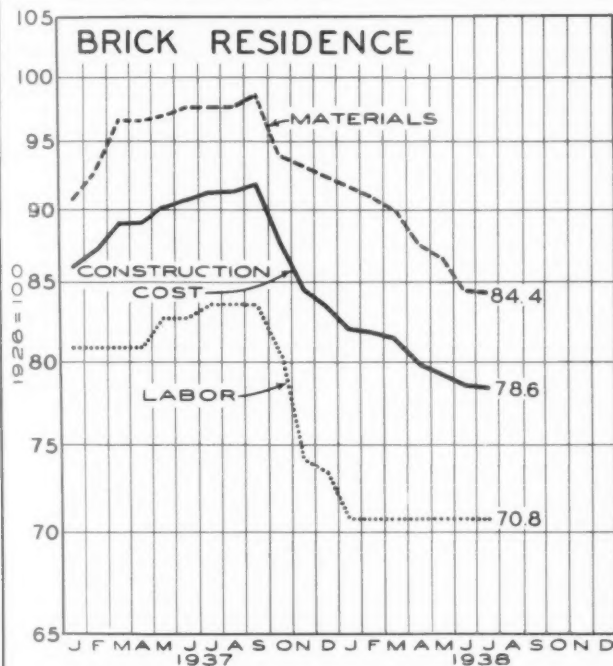
# RESIDENTIAL BUILDING



**T**HE bottom line on the top chart shows the fluctuations in the number of new family accommodations provided for in all building permits issued. During the early months of 1938 it has been badly warped by a rush for permits in New York City, because of the adoption of a new building code. The dotted line, however, shows it with New York City eliminated. Some of these New York permits will be used for the new building taking place during the next few months, probably resulting in a deceptively low level in the Middle Atlantic region during that period.

The top line on the top chart shows the fluctuations in the level of wholesale building material prices.

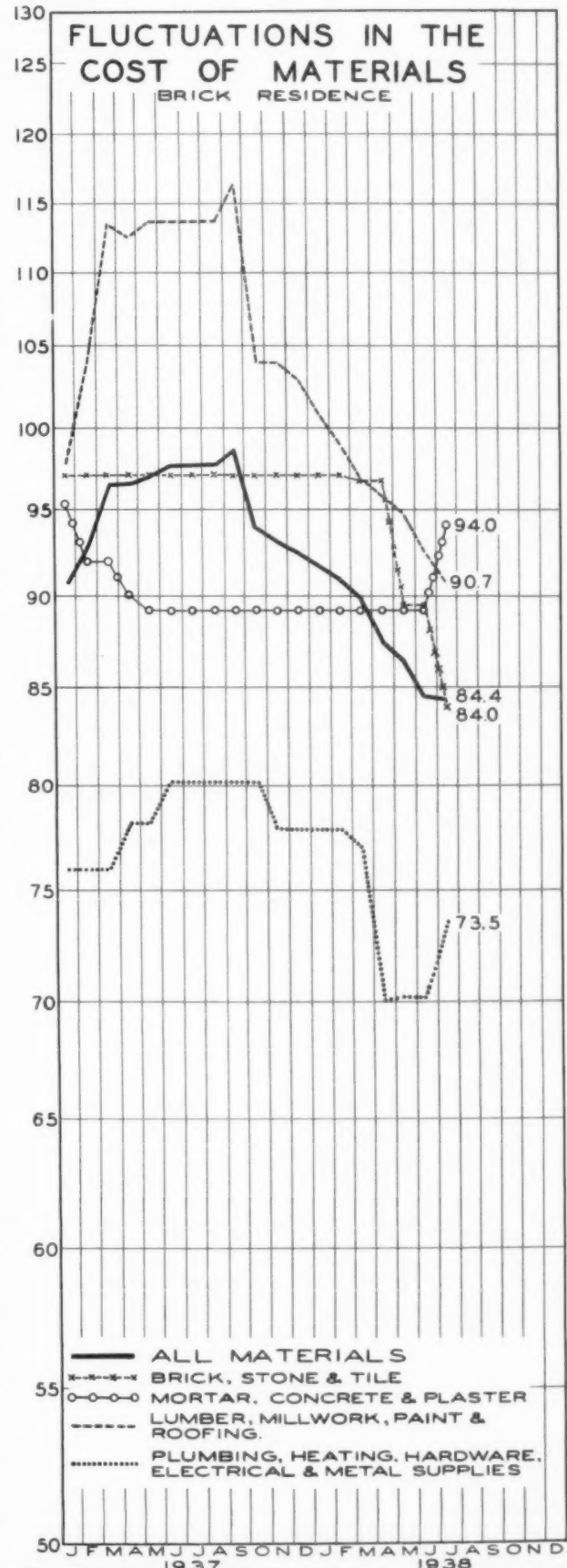
# CONSTRUCTION COSTS BY MONTHS



THE charted construction costs are a continuation of the study in the June 24, 1938 Real Estate Analyst, and can be used to bring that study up to date. The actual figures for July to continue the table on page 978 in the June, 1938 reports are as follows:

Column	Amount	Column	Amount
1 -	\$ 602	9 -	\$ 235
2 -	313	10 -	131
3 -	1,230	11 -	2,047
4 -	777	12 -	230
5 -	2,920	13 -	350
6 -	501	14 -	525
7 -	186	15 -	1,105
8 -	994	16 -	6,072

We believe that the end of the cost decline has arrived, and that building costs will again climb. This will be true of materials, labor and overhead. Only the efficient low cost producer has succeeded in building for the limited demand thus far. With an increasing demand, the less efficient will build at higher costs, increasing the profit margin of the more efficient.



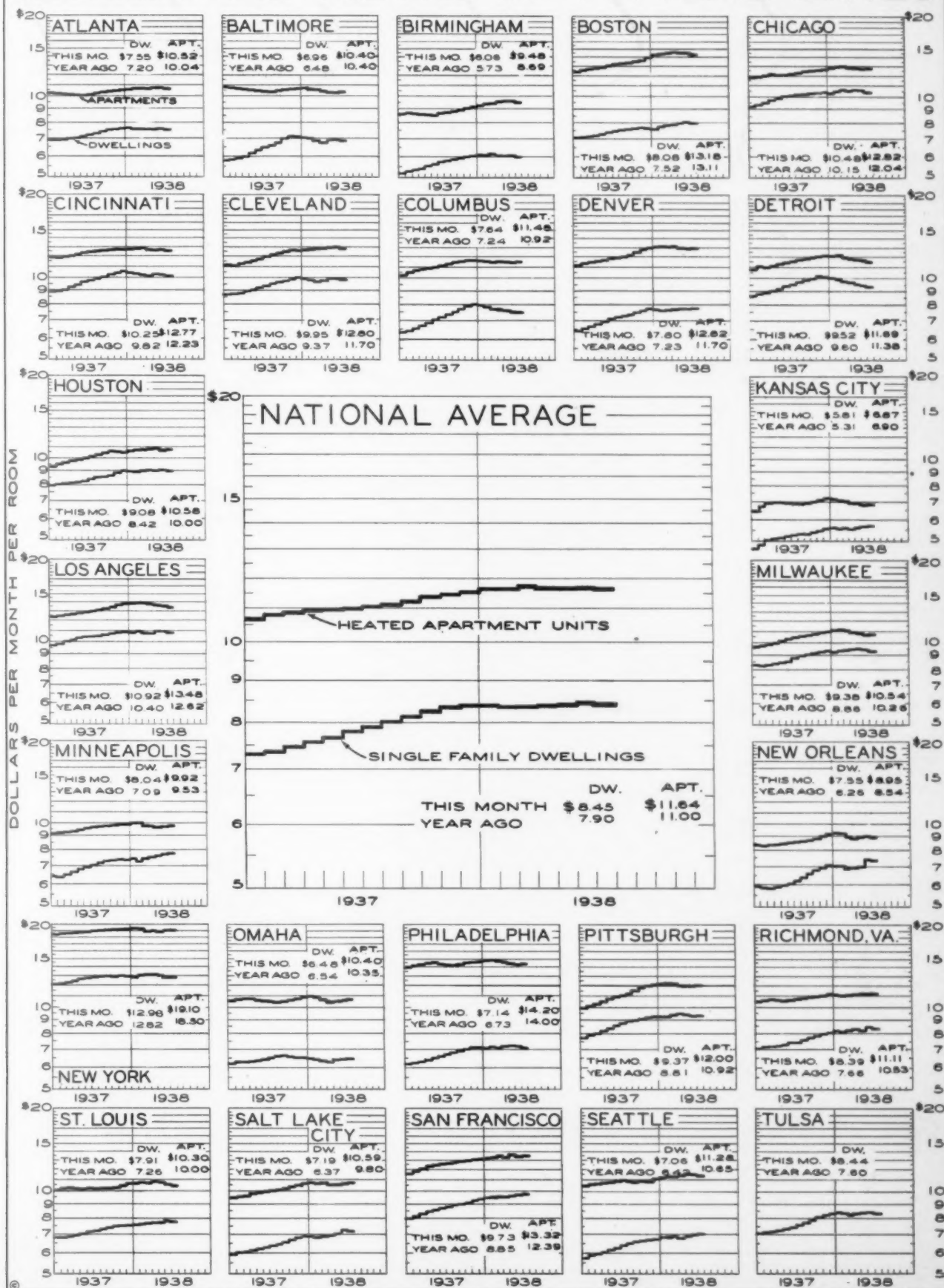


# THE REAL ESTATE ANALYST INDEX OF RESIDENTIAL RENTS

THE table below shows the residential rent figures charted by months on the page opposite. This is the revised index of residential rents which appeared in the Real Estate Analyst for the first time in the February issue. All rents are expressed in dollars per month per room. This makes possible a comparison of rent levels between different cities, and in the same city between heated and unheated units. The twenty-six cities selected are typical cities scattered from coast to coast. The method of computing this index is described on page 889 in the February, 1938, Real Estate Analyst.

	1937												1938			
	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May	June	July
National Index	\$7.55	\$7.67	\$7.80	\$7.90	\$8.04	\$8.12	\$8.23	\$8.33	\$8.36	\$8.36	\$8.35	\$8.35	\$8.37	\$8.42	\$8.47	8.45
Atlanta	7.03	7.07	7.14	7.20	7.31	7.43	7.52	7.56	7.58	7.60	7.56	7.53	7.53	7.53	7.63	7.55
Baltimore	6.03	6.20	6.37	6.48	6.60	6.77	7.02	7.18	7.15	7.10	6.98	6.90	6.77	6.97	6.98	6.96
Birmingham	5.47	5.54	5.62	5.73	5.81	5.88	5.93	6.02	6.07	6.08	6.08	6.14	6.09	6.09	6.11	6.06
Boston	7.18	7.30	7.41	7.52	7.57	7.63	7.67	7.70	7.68	7.65	7.91	7.93	7.95	8.03	8.18	8.08
Chicago	9.83	9.97	10.10	10.15	10.20	10.26	10.30	10.32	10.35	10.30	10.43	10.69	10.67	10.69	10.67	10.48
Cincinnati	9.30	9.48	9.68	9.82	9.92	10.03	10.18	10.34	10.51	10.42	10.34	10.29	10.27	10.33	10.28	10.25
Cleveland	8.91	9.08	9.25	9.37	9.52	9.68	9.80	9.94	10.01	9.92	9.74	9.72	9.86	9.97	9.97	9.95
Columbus	6.72	6.89	7.07	7.24	7.40	7.57	7.73	7.91	8.03	7.98	7.85	7.71	7.70	7.69	7.64	7.64
Denver	6.82	6.97	7.12	7.23	7.32	7.40	7.54	7.65	7.75	7.73	7.69	7.70	7.71	7.75	7.75	7.80
Detroit	9.02	9.20	9.42	9.60	9.74	9.91	10.02	10.15	10.12	10.01	9.85	9.75	9.72	9.61	9.58	9.52
Houston	8.17	8.20	8.30	8.42	8.52	8.59	8.69	8.86	9.04	8.98	8.96	9.03	9.06	9.06	9.11	9.08
Kansas City	5.13	5.18	5.24	5.31	5.37	5.35	5.40	5.48	5.60	5.63	5.60	5.62	5.61	5.63	5.80	5.81
Los Angeles	10.19	10.30	10.38	10.40	10.47	10.58	10.70	10.81	10.88	10.86	10.89	10.87	10.87	10.94	11.00	10.92
Milwaukee	8.42	8.52	8.59	8.86	9.03	9.15	9.22	9.26	9.27	9.25	9.26	9.31	9.41	9.50	9.42	9.38
Minneapolis	6.68	6.82	6.96	7.09	7.23	7.32	7.37	7.40	7.39	7.46	7.41	7.47	7.64	7.70	7.86	8.04
New Orleans	5.93	6.02	6.13	6.26	6.43	6.63	6.82	6.98	7.13	7.07	7.04	6.98	6.92	7.04	7.57	7.55
New York	12.45	12.65	12.75	12.82	12.93	12.99	12.98	13.00	12.99	12.92	13.01	13.02	13.05	12.97	12.87	12.98
Omaha	6.31	6.36	6.46	6.54	6.64	6.65	6.62	6.58	6.58	6.50	6.42	6.40	6.36	6.42	6.47	6.48
Philadelphia	6.42	6.51	6.53	6.73	6.85	6.95	7.05	7.13	7.13	7.11	7.14	7.12	7.22	7.24	7.22	7.14
Pittsburgh	8.24	8.41	8.63	8.81	8.97	9.04	9.14	9.25	9.29	9.29	9.33	9.45	9.51	9.48	9.36	9.37
Richmond	7.27	7.35	7.48	7.66	7.80	7.95	8.09	8.15	8.15	8.29	8.25	8.30	8.39	8.30	8.50	8.37
Saint Louis	6.98	7.09	7.20	7.26	7.36	7.45	7.53	7.58	7.59	7.60	7.64	7.70	7.73	7.81	7.92	7.91
Salt Lake City	6.15	6.21	6.30	6.37	6.46	6.57	6.70	6.82	6.92	6.92	6.91	6.92	6.99	7.09	7.28	7.19
San Francisco	8.48	8.60	8.73	8.85	8.96	9.04	9.17	9.31	9.41	9.50	9.52	9.55	9.55	9.59	9.71	9.73
Seattle	6.07	6.17	6.28	6.42	6.52	6.61	6.66	6.70	6.72	6.85	6.94	6.95	6.90	6.99	7.01	7.06
Tulsa	7.25	7.37	7.46	7.60	7.76	7.92	8.12	8.25	8.37	8.40	8.24	8.23	8.27	8.34	8.50	8.44
National Index	10.80	10.83	10.91	11.00	11.07	11.17	11.28	11.40	11.49	11.58	11.58	11.67	11.63	11.63	11.65	11.64
Atlanta	10.04	10.04	10.03	10.04	10.09	10.20	10.30	10.37	10.40	10.45	10.52	10.53	10.50	10.53	10.60	10.52
Baltimore	10.50	10.47	10.43	10.40	10.38	10.41	10.47	10.52	10.52	10.57	10.52	10.51	10.43	10.37	10.38	10.40
Birmingham	8.68	8.66	8.65	8.69	8.75	8.85	8.92	9.03	9.14	9.26	9.33	9.35	9.41	9.42	9.55	9.48
Boston	12.69	12.80	12.98	13.11	13.22	13.35	13.50	13.65	13.91	14.20	14.35	14.52	14.62	14.49	14.53	13.18
Chicago	12.02	12.00	12.01	12.04	12.18	12.30	12.38	12.43	12.46	12.60	12.81	12.90	12.83	12.82	12.71	12.82
Cincinnati	11.89	11.96	12.11	12.23	12.31	12.45	12.52	12.60	12.67	12.68	12.73	12.82	12.81	12.80	12.85	12.77
Cleveland	11.19	11.35	11.50	11.70	11.89	12.08	12.25	12.33	12.30	12.42	12.50	12.54	12.62	12.73	12.95	12.80
Columbus	10.60	10.69	10.80	10.92	11.08	11.29	11.41	11.46	11.46	11.46	11.45	11.45	11.48	11.44	11.42	11.48
Denver	11.45	11.50	11.61	11.70	11.79	11.99	12.25	12.58	12.83	12.86	12.89	12.90	12.93	12.80	12.78	12.82
Detroit	10.97	11.10	11.21	11.38	11.55	11.63	11.76	11.85	11.91	11.96	12.00	11.98	11.89	11.85	11.75	11.69
Houston	9.58	9.71	9.86	10.00	10.09	10.21	10.30	10.29	10.27	10.37	10.37	10.48	10.55	10.58	10.50	10.58
Kansas City	6.92	6.92	6.91	6.90	6.88	6.90	6.95	7.03	7.09	7.04	6.98	6.97	6.93	6.91	6.80	6.87
Los Angeles	12.42	12.47	12.53	12.62	12.81	13.01	13.24	13.42	13.59	13.71	13.77	13.80	13.70	13.63	13.56	13.48
Milwaukee	9.86	9.98	10.12	10.26	10.35	10.49	10.59	10.65	10.70	10.72	10.77	10.72	10.71	10.62	10.53	10.54
Minneapolis	9.19	9.30	9.40	9.53	9.60	9.64	9.65	9.68	9.68	9.80	9.84	9.82	9.82	9.75	9.80	9.92
New Orleans	8.34	8.40	8.48	8.54	8.57	8.68	8.80	8.96	9.15	9.20	9.08	8.88	8.78	8.94	9.00	8.95
New York	18.26	18.29	18.38	18.50	18.59	18.70	18.83	18.95	18.98	19.00	19.00	18.87	18.91	18.87	19.02	14.10
Omaha	10.43	10.37	10.35	10.35	10.34	10.35	10.40	10.48	10.61	10.62	10.52	10.38	10.19	10.27	10.33	10.40
Philadelphia	14.05	14.06	14.00	14.00	13.99	14.00	14.10	14.14	14.18	14.22	14.27	14.25	14.22	14.10	14.05	14.20
Pittsburgh	10.31	10.51	10.72	10.92	11.14	11.34	11.60	11.76	11.88	11.90	11.98	11.98	11.93	11.93	11.94	12.00
Richmond	10.46	10.46	10.48	10.53	10.59	10.69	10.75	10.88	10.92	10.90	10.97	10.98	11.00	11.03	11.08	11.11
Saint Louis	9.97	10.01	10.01	10.00	9.98	10.01	10.08	10.13	10.24	10.35	10.41	10.40	10.48	10.43	10.34	10.30
Salt Lake City	9.53	9.62	9.73	9.80	9.90	9.98	10.12	10.24	10.35	10.36	10.33	10.38	10.31	10.43	10.50	10.59
San Francisco	12.01	12.20	12.30	12.39	12.45	12.55	12.68	12.80	12.89	12.96	13.02	13.13	13.03	13.19	13.14	13.32
Seattle	10.50	10.52	10.60	10.65	10.61	10.60	10.61	10.61	10.81	10.89	11.00	11.02	11.10	11.37	11.38	11.28

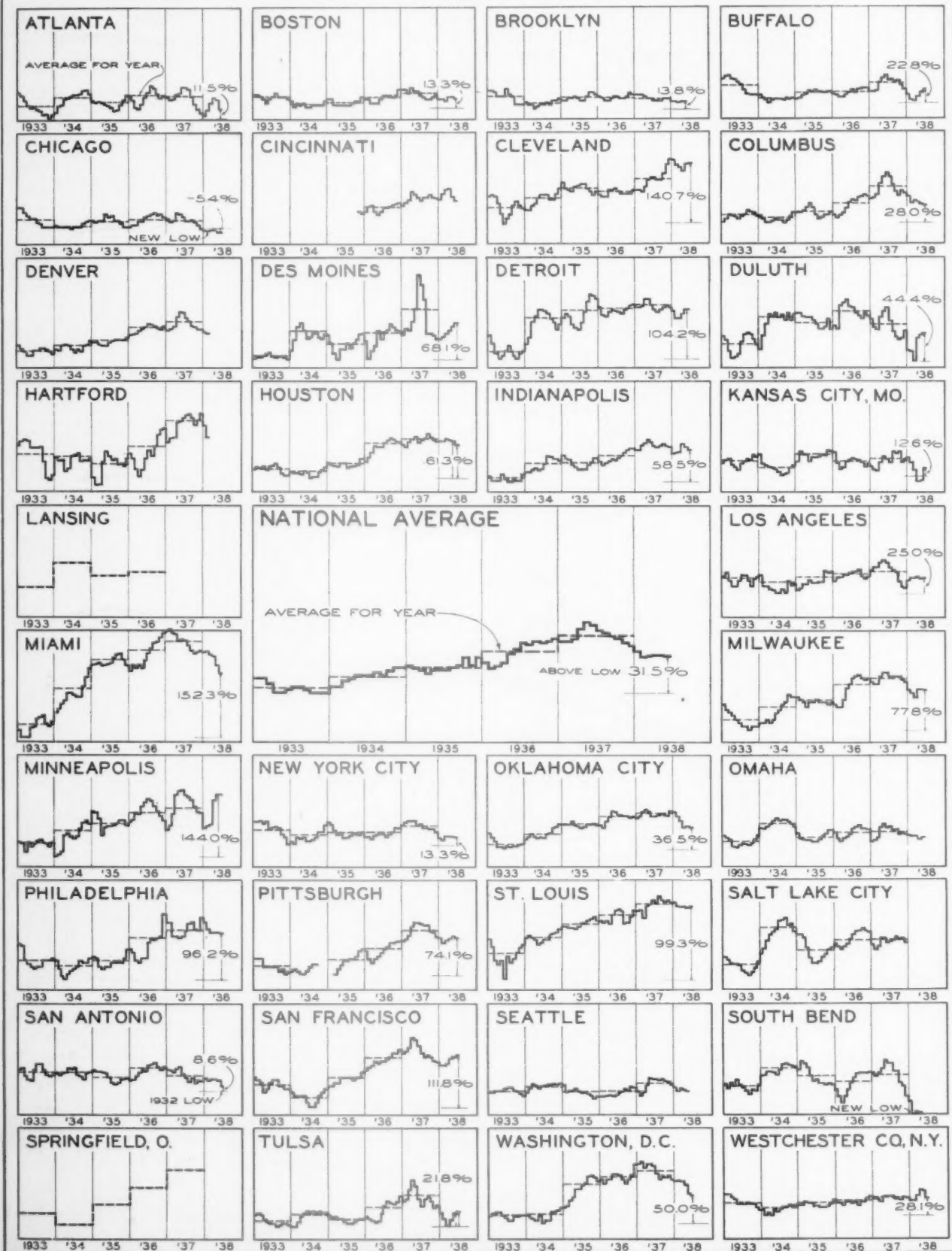
# RESIDENTIAL RENTS IN TYPICAL CITIES



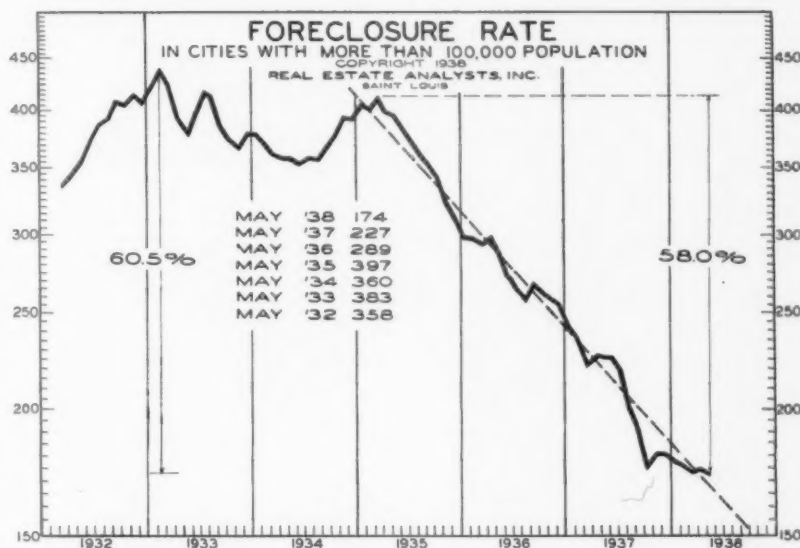
# REAL ESTATE TRANSFERS IN PRINCIPAL CITIES

1933 TO 1938

COPYRIGHT 1938 ~ REAL ESTATE ANALYSTS INC., SAINT LOUIS

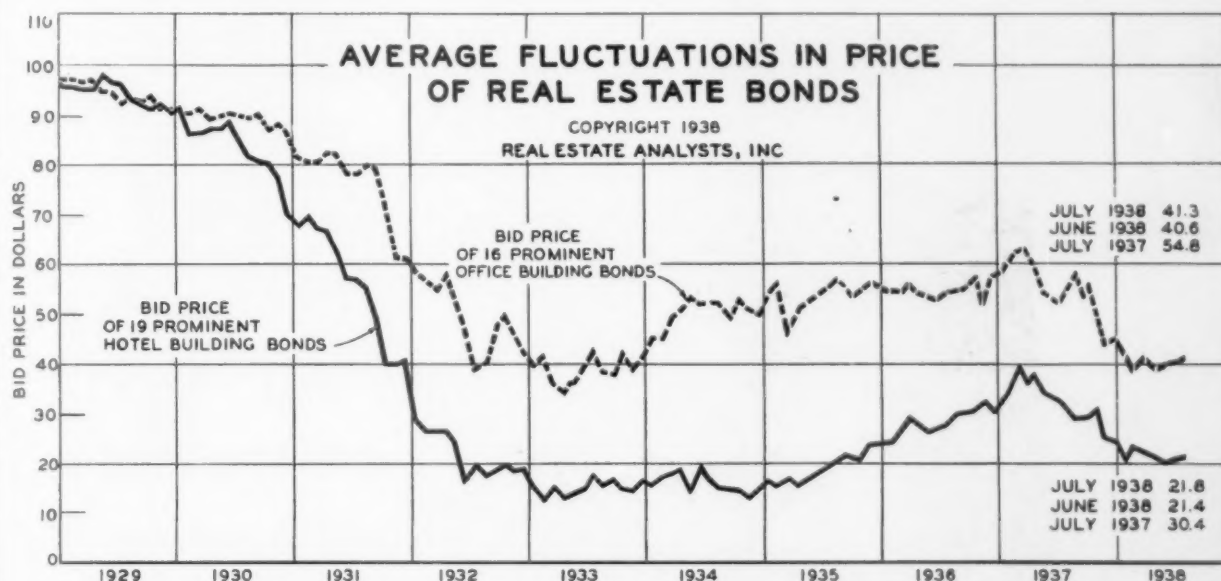






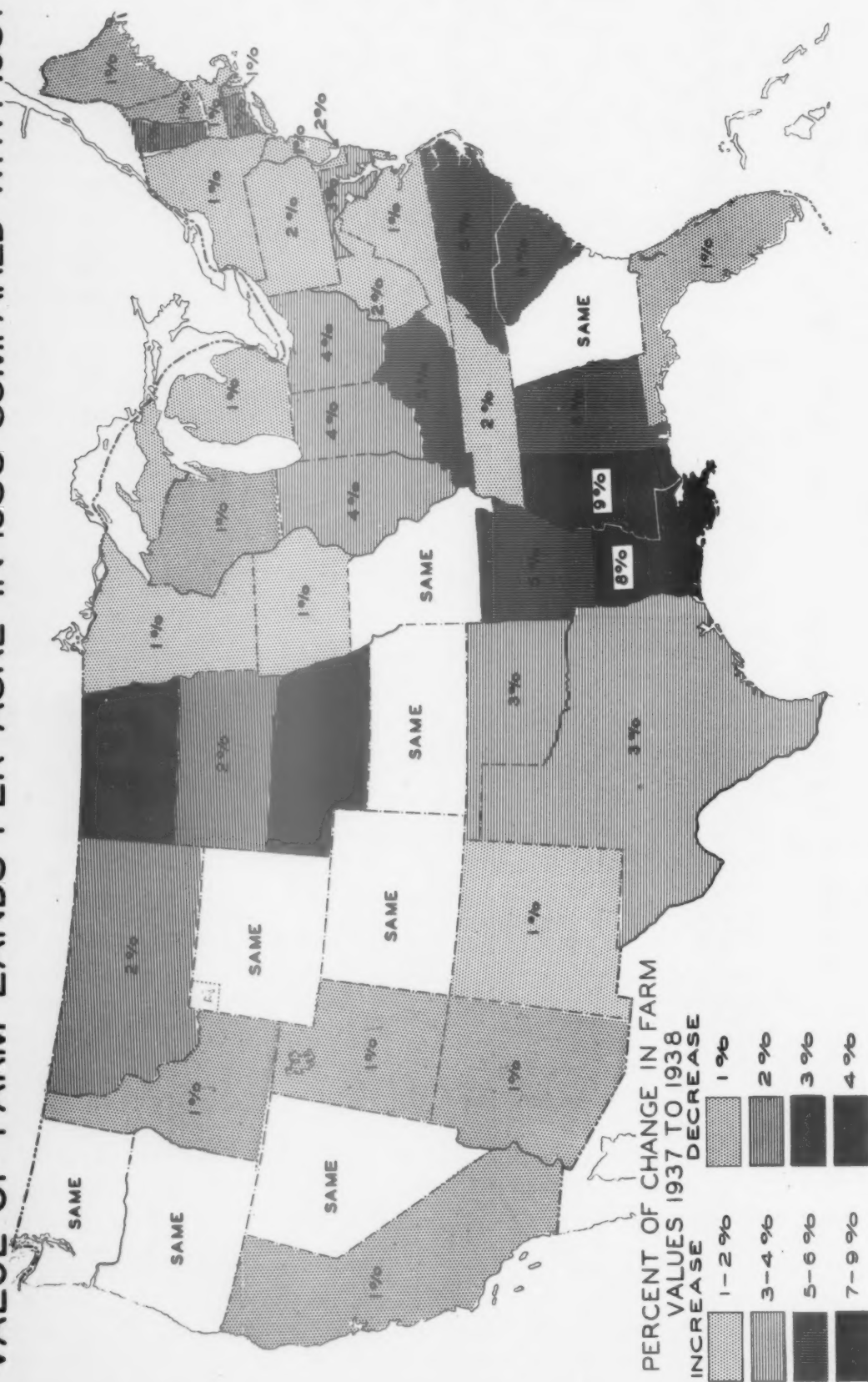
THE chart to the left shows the monthly fluctuations in the foreclosure rate in cities having more than 100,000 population. This chart is corrected for seasonal fluctuation and is based on the compilations made by the HOLC. The dashed line shows the trend at which foreclosures have been dropping for the past three years. The figure for May, which is the last figure available, showed a continuation of the

downward trend. It is 23.4% below the level of a year ago, 58.0% below the peak of 1935, and 60.5% below the all-time peak of 1933.



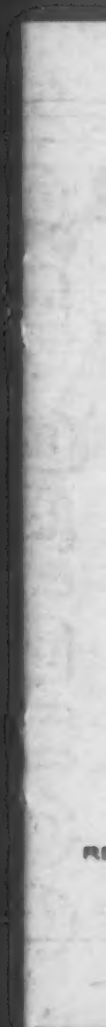
THE chart above shows the average fluctuations in the bid prices of office and hotel building bonds. The trend of both office building and hotel building bonds has turned upward during the last two months. The buildings used are only those on which quotations can be secured monthly. The office building list includes the following: Broadway Motors, Bryant Park, Bush Terminal, Carbide and Carbon, Chesebrough, Chrysler, Cleveland Terminal, Equitable (N. Y.), Graybar, Grant, Liggett, One LaSalle Street, Postum, Textile, Wanamaker (Phila.), Woodbridge. The hotel list includes the following: Bowman-Biltmore, Eastern Ambassador Hotel, Eppley Hotels, George Washington Hotels, Hotel Lexington, Hotel Sherman, Hotel St. George, LaSalle Hotel, Lord Baltimore, National Hotel of Cuba, Palace Hotel (San Francisco), Park Central Hotel, Pitts Hotel, Savoy-Plaza, Sevilla-Biltmore, Sherry-Netherland, Stevens Hotel, Waldorf-Astoria.

# VALUE OF FARM LANDS PER ACRE IN 1938 COMPARED WITH 1937





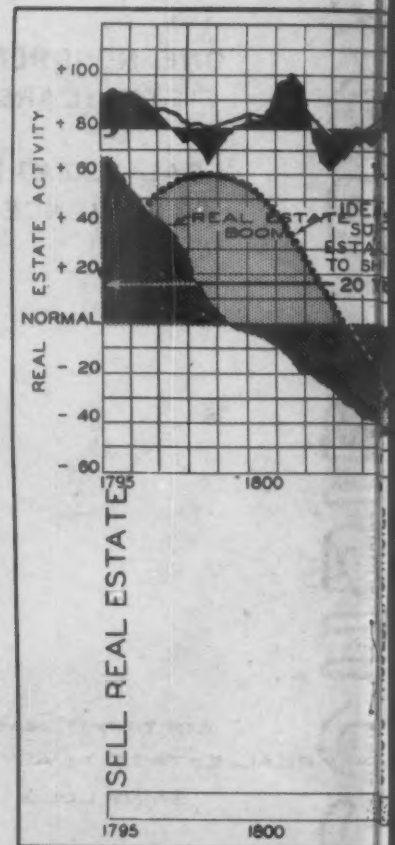




ONE HUNDRED  
FIFTY YEARS  
OF  
REAL ESTATE  
EXPERIENCE



COPYRIGHT 1938  
REAL ESTATE ANALYSTS, INC.  
SAINT LOUIS



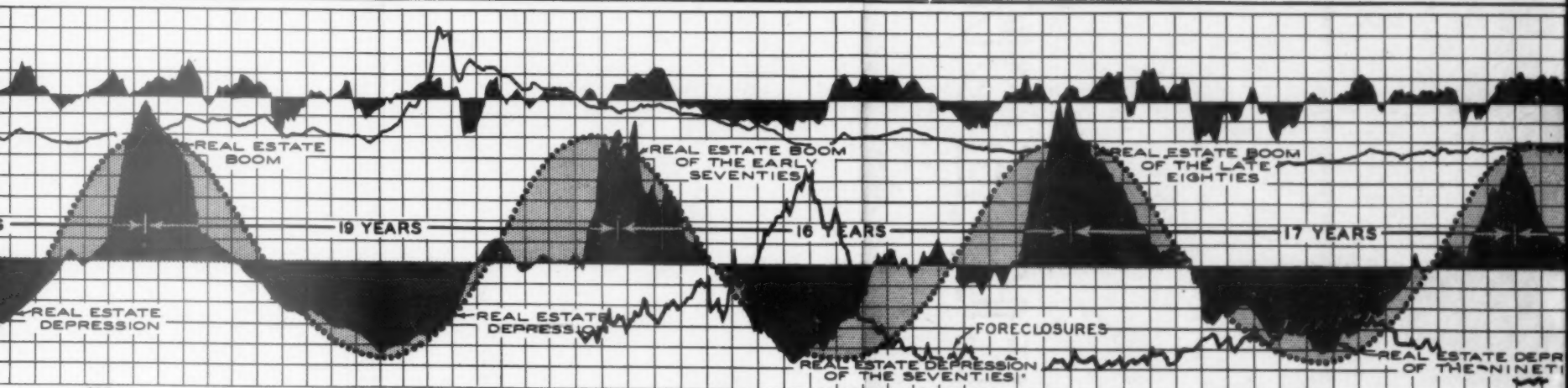
1019 TO 1022



This chart is prepared by Real Estate Analysts, Incorporated, from monthly data it accumulates from all principal cities of the United States. It is explained in detail on pages 838 to 841 of our regular reports. It is an attempt to summarize in one chart the accumulated experience of 150 years of real estate operations in the United States. It does not indicate that real estate is necessarily a good permanent investment, nor that any particular piece is a good investment now. It does indicate that the period we are in is the advantageous time to buy well selected properties for the maximum profit during the next five to ten years.

Real Estate Analysts, Incorporated, is an organization of economists, appraisers and counselors on real estate problems. It has clients in more than 125 cities of the United States and Canada. Its clients include the principal life insurance companies, banks, building material manufacturers, building and loan associations, real estate operators, large investors and government departments. Its life insurance clients alone own more than a billion and three-quarter dollars worth of real estate and have real estate mortgages totaling almost four and a half billion more.





SELL REAL ESTATE

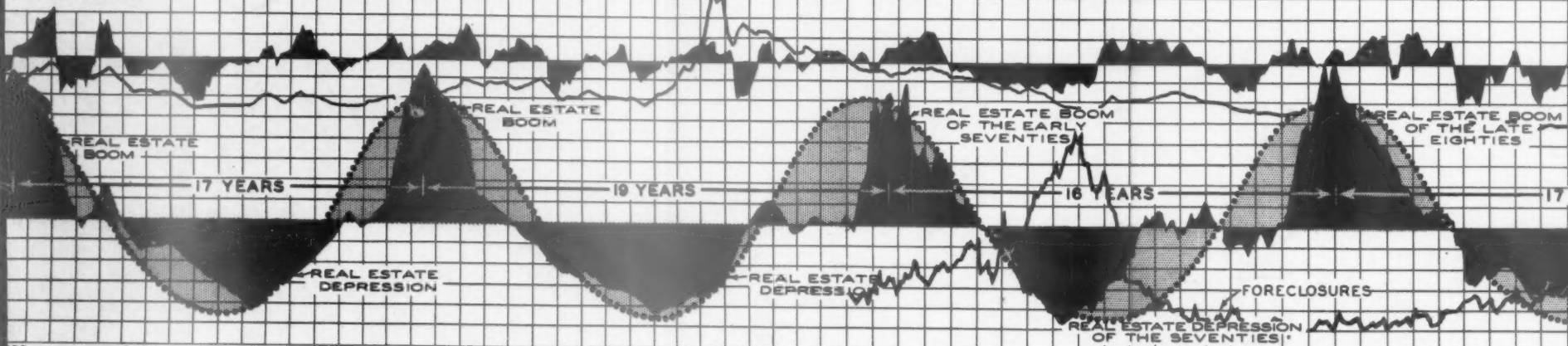
BUY REAL ESTATE

BOOM HYSTERIA DEVELOPS, PRODUCING READY MARKET AT INFLATED PRICES.  
**SELL REAL ESTATE**  
 BUILDING BOOM NOW PRODUCING DWELLING UNITS FASTER THAN RATE OF ABSORPTION. VACANCIES INCREASING. RENTALS AND VALUES FALLING. INCREASING FORECLOSURES FURTHER DEPRESS PRICES BY THROWING DISTRESS PROPERTIES ON A DISINTERESTED MARKET.  
**BUY REAL ESTATE**  
 HOUSING SHORTAGE DEVELOPS. RENTALS AND VALUES RISE UNTIL VALUES EQUAL OR EXCEED REPLACEMENT COST, RESULTING IN A BUILDING BOOM. BOOM HYSTERIA DEVELOPS, PRODUCING READY MARKET AT INFLATED PRICES.  
**SELL REAL ESTATE**  
 BUILDING BOOM NOW PRODUCING DWELLING UNITS FASTER THAN RATE OF ABSORPTION. VACANCIES INCREASING. RENTALS AND VALUES FALLING. INCREASING FORECLOSURES FURTHER DEPRESS PRICES BY THROWING DISTRESS PROPERTIES ON A DISINTERESTED MARKET.  
**BUY REAL ESTATE**  
 HOUSING SHORTAGE DEVELOPS. RENTALS AND VALUES RISE UNTIL VALUES EQUAL OR EXCEED REPLACEMENT COST, RESULTING IN A BUILDING BOOM. BOOM HYSTERIA DEVELOPS, PRODUCING READY MARKET AT INFLATED PRICES.  
**SELL REAL ESTATE**  
 BUILDING BOOM NOW PRODUCING DWELLING UNITS FASTER THAN RATE OF ABSORPTION. VACANCIES INCREASING. RENTALS AND VALUES FALLING. INCREASING FORECLOSURES FURTHER DEPRESS PRICES BY THROWING DISTRESS PROPERTIES ON A DISINTERESTED MARKET.

1850 1855 1860 1865 1870 1875 1880 1885 1890 1895 1900 1905



ED STATES



BUY REAL ESTATE

SELL REAL ESTATE

BUY REAL ESTATE

BOOM HYSTERIA DEVELOPS, PRODUCING READY MARKET AT INFLATED PRICES.

**SELL REAL ESTATE**

BUILDING BOOM NOW PRO-  
DUCING DWELLING UNITS FASTER  
THAN RATE OF ABSORPTION.  
VACANCIES INCREASING.  
RENTALS AND VALUES FALLING.  
INCREASING FORECLOSURES FUR-  
THER DEPRESS PRICES BY  
THROWING DISTRESS PROPERTIES  
ON A DISINTERESTED MARKET.

**BUY REAL ESTATE**

HOUSING SHORTAGE DEVELOPS.

RENTALS AND VALUES RISE

UNTIL VALUES EQUAL OR EXCEED

REPLACEMENT COST, RESULTING

IN A BUILDING BOOM. BOOM HYS-

TERIA DEVELOPS, PRODUCING

READY MARKET AT INFLATED

PRICES.

**SELL REAL ESTATE**

BUILDING BOOM NOW PRO-  
DUCING DWELLING UNITS FASTER

THAN RATE OF ABSORPTION.

VACANCIES INCREASING.

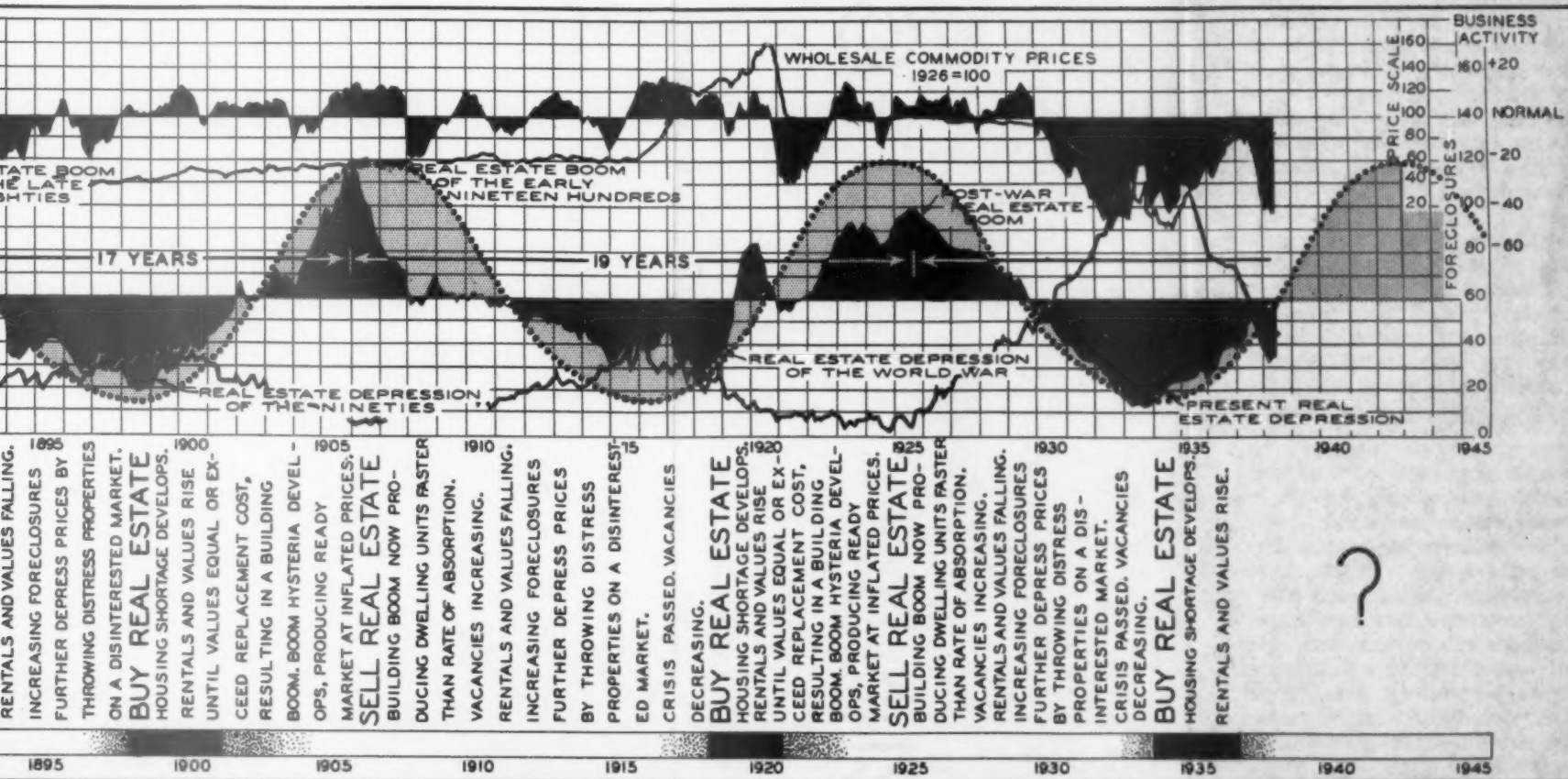
RENTALS AND VALUES FALLING.

INCREASING FORECLOSURES

FURTHER DEPRESS PRICES BY

THROWING DISTRESS PROPERTIES

ON A DISINTERESTED MARKET.

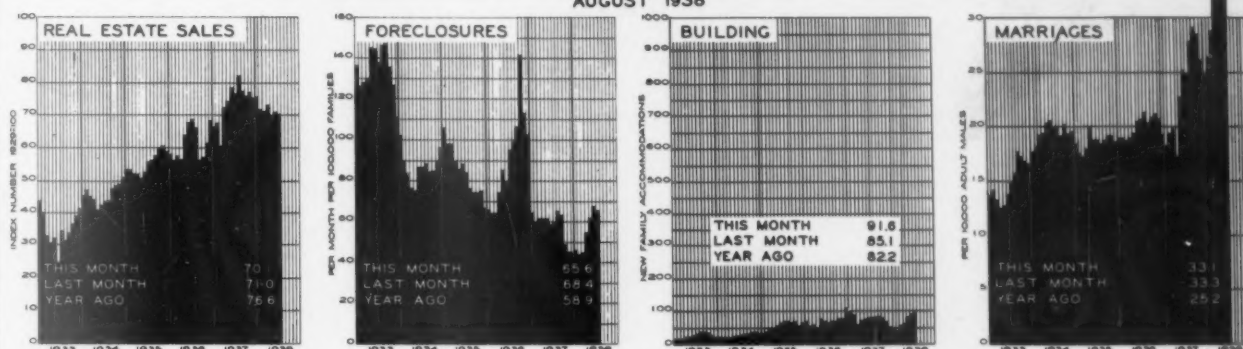






# FACTORS AFFECTING REAL ESTATE IN ST. LOUIS

AUGUST 1938



THE number of sales of real estate in Saint Louis decreased last month and is still below the level of a year ago. Foreclosures decreased after three months of continued rises and are still slightly above the level of a year ago. The number of new family accommodations provided for in all building permits issued, corrected for seasonal influences, showed another increase; while the marriage rate maintained a level exceeding all past records during the last five years, with only one exception.

Dollar rents of free standing dwellings and flats showed a very slight decrease, while rents of heated apartments showed a very small increase. Neither the rise nor the fall was large enough to be significant.

Residential vacancy for August in Saint Louis is running .7% greater than it was in August of last year and .2% greater than it was a month ago. Doubling up due to unemployment is undoubtedly responsible for the increase throughout the first eight months of this year as compared to the same period in 1937. The increase in vacancy is primarily in multi-family units.

The number of residential vacancies in August for the last few years is shown below in contrast to the number in November, 1932.

Date	Vacancies	Vacancy %
November, 1932	28,207	12.8
August, 1934	14,000	6.3
August, 1935	10,200	4.6
August, 1936	8,000	3.6
August, 1937	8,700	3.9
August, 1938	10,200	4.6

